

Converge MidAmerica



Steps to Licensing



Prior to granting a license, a church should establish policies regarding the licensing procedure.

1. A church may decide to grant a license to those who are preparing for a career as a pastor or missionary and are in the process of gaining an MDiv or similar seminary degree.
2. A church may decide to grant a license to future pastors and missionaries and to those serving the church in music, in Christian education, youth and church administration ministries.
3. A church should decide prior to granting a license what degree of theological knowledge the licensee should have.
4. A church should decide whether to grant a license for a specific period of time, i.e., 5 years or grant a license without an expiration date. While an applicant for licensing in most cases would not have a seminary degree, the church should insist on evidence of a good understanding of evangelical theology and Baptist church polity before a license is issued.

While the IRS does not concern itself with the question “Who may be licensed?” they have nevertheless established their own criteria of standards that must be met by one who is licensed and is claiming the tax considerations given to ministers. The 1997 Income Tax Guide states: “ministers are individuals who are duly ordained, commissioned or licensed by a religious body constituting a church or church denomination. They are given the authority to conduct religious worship, perform sacerdotal functions and administer ordinances or sacraments according to the prescribed tenets or practices of that church or denomination.”

Dr. Richard Hammar, author of Church Law and Tax Report 1998 Church and Clergy Tax Guide, after reviewing the IRS regulations regarding a minister's eligibility for special tax considerations states, “Who is a minister for federal tax purposes. The tax court ruled in 1987 that a minister is one who satisfies all five of the following factors:

1. Administers sacraments
2. Conducts religious worship
3. Management responsibility in a local church or religious denomination (“control, conduct or maintenance of a religious organization.”)
4. Ordained, commissioned or licensed
5. Considered to be a religious leader by one's church or denomination

A church should carefully review why it is granting a license and if the one seeking a license meets the government's requirements for ministerial tax consideration. As tax law is always changing, we encourage you to consult Dr. Richard Hammar's Church Law and Tax Report by going online at www.churchlawandtax.com.

CERTIFICATE OF LICENSE

THIS IS TO CERTIFY

That at a meeting of the _____ Church at _____
_____ on the _____ day of _____, 20 _____,

having given evidence of possessing the gifts for the work of the GOSPEL MINISTRY, was issued a license to participate in the work of the ministry for the period from this day to _____, 20_____ including one or more of the following in accordance with the laws of the land and when authorized by the church to do so:

- Administer the ordinances of Baptism and the Lord's Supper
- Conduct worship services
- Exercise control, conduct or maintenance of a religious corporation
- Be a spiritual leader of a religious body.

Chairman
Elder/Deacon Board

Board Member

Church Clerk

CERTIFICATE OF LICENSE

THIS IS TO CERTIFY

That at a meeting of the _____ Church at _____
_____ on the _____ day of _____, 20____,

_____ having given evidence of possessing the gifts for the work of the GOSPEL MINISTRY, was issued a license to participate in the work of the ministry including one or more of the following in accordance with the laws of the land and when authorized by the church to do so:

- Administer the ordinances of Baptism and the Lord's Supper
- Conduct worship services
- Exercise control, conduct or maintenance of a religious corporation
- Be a spiritual leader of a religious body.

*Chairman
Elder/Deacon Board*

Board Member

Church Clerk